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PETROLEUMS LIMITED



FIFTEENTH ANNUAL REPORT

FOR THE 13 MONTH PERIOD ENDED JANUARY 31

1967

HEAD OFFICE: SUITE 401, 1033 DAVIE STREET, VANCOUVER 5, B.C.

TO THE SHAREHOLDERS OF BRALSAMAN PETROLEUMS LIMITED

The audited financial statements of your Company for the thirteen-month period ended January 31, 1967, are submitted herewith for your consideration.

An increase of 15% in the sale of crude oil and natural gas during the past year has proven the Slave Lake-Mitsue Oil Field to be a valuable investment.

The net profit for the thirteen-month period from January 1, 1966, to January 31, 1967, was \$99,492 compared to \$29,687 for the year ended December 31, 1965. This was mainly due to the sale of approximately 55,000 shares of Ranger Oil (Canada) Ltd. which was the major portion of the rights issued purchased by your Company in June of the past year.

The quoted market value of your Company's securities increased 46% to \$731,364 or 94c per issued share at January 31, 1967.

Your Company has maintained a major share position in Ranger Oil (Canada) Ltd. holding 242,878 shares.

During the past year Ranger Oil and associates have successfully completed a well in the Rainbow Lake Area of Northern Alberta which indirectly gives your Company an interest in this prolific area.

In view of your Company's substantial interest in Ranger Oil a copy of that Company's annual report will be forwarded to you as soon as available.

Submitted on behalf of the Board of Directors,

W. B. MILNER,  
President.

May 17th, 1967.

# BRALSAMAN PETROLEUMS LIMITED AND SUBSIDIARY COMPANY, BRALSAMAN INCORPORATED

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

THIRTEEN MONTHS ENDED JANUARY 31, 1967

(With comparative figures for the year ended December 31, 1965)

	January 31, 1967	December 31, 1965
Sales of crude oil and natural gas, less cost of production and distribution .....	\$ 45,038	35,109
Interest and dividend income .....	—	120
	45,038	35,229
Administrative and general expenses (including directors' fees \$1,250) .....	14,626	15,245
Interest paid .....	11,218	2,763
	25,844	18,008
Operating profit .....	19,194	17,221
Gain on sale of investments .....	80,298	12,466
Net profit for the period (Note 2) .....	\$ 99,492	29,687

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Balance at beginning of period .....	\$ 319,878	353,611
Add:		
Surrendered leases written off .....	73,508	388
Sundry equipment written off .....	418	—
	393,804	353,999
Less proceeds from sale of shares previously written off .....	—	4,434
	393,804	349,565
Less net profit for the period .....	99,492	29,687
Balance at end of period .....	\$ 294,312	319,878

See accompanying notes to consolidated balance sheet.

Subject to the accompanying report of Peat, Marwick, Mitchell & Co.  
Chartered Accountants, dated May 3, 1967.

# BRALSAMAN PETROLEUMS LIMITED AND SUBSIDIARY COMPANY, BRALSAMAN INCORPORATED

## CONSOLIDATED BALANCE SHEET • JANUARY 31, 1967 (With comparative figures at December 31, 1965)

ASSETS		
	January 31, 1967	December 31, 1965
Current assets:		
Cash .....	\$ 4,239	633
Accounts receivable .....	12,671	8,666
Prepaid expenses .....	138	—
Total current assets .....	17,048	9,299
Investment in marketable securities, at cost (quoted market value \$731,364; 1965 — \$500,306) .....	438,184	399,899
Oil and gas properties and equipment, at cost:		
Petroleum and natural gas leases, permits and interest, including development and equipment thereon:		
Producing .....	593,694	555,883
Non-producing .....	115,436	199,109
	709,130	754,992
Other equipment .....	—	418
	709,130	755,410
Organization expense .....	1,808	1,808
	<u>\$ 1,166,170</u>	<u>1,166,416</u>

### AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of Bralsaman Petroleums Limited and subsidiary company, Bralsaman Incorporated as of January 31, 1967 and the consolidated statements of profit and loss and deficit for the thirteen months ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

No provision for depreciation or depletion has been made by the companies since incorporation, nor has any provision for losses on abandonment of dry wells (cost approximately \$60,250) been made by the subsidiary.

In our opinion, except for the matter referred to in the preceding paragraph, the accompanying consolidated balance sheet and consolidated statements of profit and loss and deficit present fairly the financial position of the companies at January 31, 1967 and the results of their operations for the thirteen months ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, British Columbia  
May 3, 1967

PEAT, MARWICK, MITCHELL & CO.,  
Chartered Accountants

## LIABILITIES AND SHAREHOLDERS' EQUITY

	January 31, 1967	December 31, 1965
Current liabilities:		
Bank loan (secured by pledge of certain marketable securities) .....	\$ 27,000	12,000
Accounts payable .....	1,045	14,762
Due to affiliated company, Transcontinental Resources Ltd. ....	71,725	98,820
Total current liabilities .....	99,770	125,582
Shareholders' equity:		
Capital stock:		
Authorized 1,000,000 shares of \$1 each; issued 775,000 shares (of which 575,000 shares for cash and 200,000 as part consideration for petroleum and natural gas leases, permits and interest) .....	775,000	775,000
Surplus:		
Contributed .....	585,712	585,712
Deficit, per accompanying statement .....	294,312	319,878
	291,400	265,834
	1,066,400	1,040,834
Approved on behalf of the Board:		
W. B. MILNER, Director		
F. B. KILSHAW, Director		
	\$ 1,166,170	1,166,416

### Notes:

1. Current assets and liabilities of the U.S. subsidiary have been converted to Canadian dollars at the current rate of exchange. Fixed assets have been converted at the rate of exchange existing at the date when purchased and income and expenses at the average rate of exchange for the period.
2. No taxes on income are payable because the companies intend to claim sufficient preproduction expenses and depreciation for tax purposes to arrive at a nil taxable income.

Subject to the accompanying report of Peat, Marwick, Mitchell & Co., Chartered Accountants, dated May 3, 1967.

#### **DIRECTORS**

W. B. MILNER

L. G. WHITE

DR. KAHO DAILY

J. M. PIERCE

AIR VICE-MARSHAL K. G. NAIRN

DAVID B. ARMSTRONG

F. B. KILSHAW

#### **OFFICERS**

President—W. B. MILNER

Vice-President—L. G. WHITE

Treasurer—F. W. SCHROEDER

Secretary—D. E. BETCHLEY

#### **TRANSFER AGENT**

NATIONAL TRUST COMPANY LIMITED, VANCOUVER, B.C.

#### **AUDITORS**

PEAT, MARWICK, MITCHELL & CO., VANCOUVER, B.C.

#### **SOLICITORS**

BULL, HOUSSEY & TUPPER

675 WEST HASTINGS STREET, VANCOUVER 5, B.C.

#### **HEAD OFFICE**

SUITE 401, 1033 DAVIE STREET, VANCOUVER 5, B.C.